

Date: May 6, 2014

To: House Transportation and Infrastructure Committee Members

From: Andrew Vermeesch  
Associate Legislative Counsel

Re: Written Testimony on House Bills 4251, 4630, 4925, 5167, 5453, 5459, 5460, 5477, 4492

Thank you for the opportunity to provide written testimony in support of the transportation bill package before the House Transportation and Infrastructure Committee.

Michigan Farm Bureau is the state's largest general farm organization representing over 48,000 farm family members. Our policy efforts are grassroots driven where local members develop, debate, and adopt our policy positions on an annual basis.

Michigan Farm Bureau recognizes the importance of the state and local road network to agriculture. Investment in infrastructure, such as highways and local roads, can be directly linked to growth in business and economy. Improving Michigan's transportation system will create jobs, attract business and strengthen our economy. We believe state and local road agencies should be adequately funded so they are able to properly fund routine maintenance to ensure safe and efficient roadways for all motorists.

We are encouraged by the recent actions to increase funding for Michigan's transportation system and support the package of bills; however, I would like to share with the Committee a technical issue with HB 4630 that may have an unintended effect on our members. Currently, the Vehicle Code has different alternative registration rates depending on how a vehicle is registered. HB 4630, however, will change the current statute which allows vehicles less than 8,000 lbs to register under these alternative registrations. HB 4630 (H-4) substitute will now require these vehicles to register under the ad valorem schedule, which may create a challenge for farmers by limiting the vehicle's commercial use. Michigan Farm Bureau supports the overall bill package, including implementation of a user based system, and looks forward to working with the legislation's sponsor to find a common solution to this issue that does not hinder agriculture operations.

An excerpt from Michigan Farm Bureau policy #98 Highways states,  
"We support:

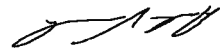
- User taxes when new revenue is needed for roads and bridges. New revenues for roads and bridges shall go through the current PA 51 formula. Such taxes must be in line with maintenance costs and should be consistent with neighboring states. We must not revert



- to the property tax or special assessments as a means of building and maintaining state roads and bridges.
- A system that allows for indexing of the fuel tax rate.
  - Diverting up to 100% of state sales tax collected on motor fuels from the general fund to the PA 51 formula to provide additional road funding.
  - Electric car owners having to install a separate electric meter for charging electric cars. That meter usage would be taxed for the highway fund at a rate consistent with fuel taxes paid by other vehicles, or other suitable means for collecting the road tax.
  - Taxing other forms of energy that are used in transportation at an equitable rate."

Again, thank you for the opportunity to provide written testimony on behalf of Michigan Farm Bureau members, and our organization looks forward to continuing to work to improve transportation funding.

Sincerely,



Andrew Vermeesch  
Associate Legislative Counsel